

COMMISSION DIRECTIVE

ADMINISTRATIVE MATTERS	<input type="checkbox"/>	DATE	<u>OCTOBER 11, 2006</u>
MOTOR CARRIER MATTERS	<input type="checkbox"/>	DOCKET NO.	<u>97-239-C - -</u>
UTILITIES MATTERS	<input checked="" type="checkbox"/>		<u></u>

SUBJECT:

DOCKET NO. 97-239-C: Universal Service Fund - Discuss with the Commission the Office of Regulatory Staff's Request for Approval from the Public Service Commission of South Carolina to Include \$106,198 in Administrative Expense in the South Carolina Intrastate Universal Service Fund.

COMMISSION ACTION:

Mr. Chairman, in April 2006 the Office of Regulatory Staff (ORS) issued a Request for Proposal (RFP) for administration of the Intrastate Universal Service Fund (USF). The RFP was written in three (3) procurement "lots" and garnered one (1) bidder for lots 1 and 2 and two (2) bidders for lot 3. The most competitive bid was approximately \$38,000 per year higher than in-house administration of the USF by the ORS. Also, the most competitive bid would require a \$56,000 one-time start up cost. Based on the responses to the RFP, the ORS determined that it was not cost effective to award a contract to a bidder to administer the USF. Upon questioning by the Commissioners, the ORS stated that it was confident that through its administration of the USF, and separation of its administration of the USF from its auditing of the USF, all combined with the outside auditing of the USF by an independent CPA firm, would comply with the recommendations of the Legislative Audit Council. On the basis of that representation, and on our review of the filing and oral supplementation provided by ORS, Mr. Chairman, I move that the Commission approve the ORS request to include \$106,198 in Administrative Expense in the Intrastate Universal Service Fund.

PRESIDING	<u>Hamilton</u>				Session:	Regular
	MOTION	YES	NO	OTHER	Time of Session	<u>2:30 p.m.</u>
CLYBURN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		APPROVED	<u></u>
FLEMING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		APPROVED STC 30 DAYS	<u></u>
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		ACCEPTED FOR FILING	<u></u>
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		DENIED	<u></u>
MITCHELL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		AMENDED	<u></u>
MOSELEY	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Absent	TRANSFERRED	<u></u>
WRIGHT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		SUSPENDED	<u></u>
					CANCELED	<u></u>
					SET FOR HEARING	<u></u>
					ADVISED	<u></u>
					CARRIED OVER	<u></u>
					RECORDED BY	<u>Schmieding</u>

Vice Chairman Moseley was on Funeral Leave